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THE TRADE QUESTION!

What is the Matter? What the Remedy?

AN ADDRESS BY

MR. GEORGE C. GIBBONS, Q.C.,
OF LONDON.

Is there anything wrong with the Government of this country and its trade relations, or is the country in itself defective? Ontario is admittedly as fertile as if not more productive than any State in the Union. Our timber is in bountiful supply and most excellent in quality. Our fisheries are the best on both coasts, Atlantic and Pacific. Nova Scotia and British Columbia abound in coal. Our other minerals are comparatively easy of access and most valuable. Our waterways are of the best, and we have spent lavishly on their improvement. Water power is plentiful and unsurpassed. We have an immense territory open to settlement with free lands. We have had the benefit during the past decade of the expenditure of immense sums of money in railroad building and other efforts to secure population and trade. And yet in ten years our increase of population in Ontario, Quebec and the Maritime Provinces is less by 100,000 than the increase in the one State of Michigan adjoining and is not half the increase in several of the other States.

INCREASE IN TEN YEARS.

New York	898,000	Ontario	186,000
Pennsylvania	966,000	Quebec	129,000
Nebraska	604,000	Manitoba, the North-	
Minnesota	520,000	west and British	178,000
Ohio	468,000	Columbia	
Michigan	453,000	Nova Scotia, New Bruns-	
Massachusetts	450,000	wick and Prince Ed-	10,209
Kansas	427,000	ward Island	
Washington State	350,000		
California	340,000		

Washington State with inferior coal, inferior timber, and less natural advantages and only one-fourth the size of British Columbia adjoining, has more Canadians in her population than has that Province. Washington has grown from 75,000 to 350,000 in ten years, an increase equal to nearly three times the total population of British Columbia, which is only 93,000. The same comparison holds good as between the Dakotas and our Northwest. The only States it is safe to mention by way of contrast are those in the sterile belt covered by Maine, New Hampshire, and Vermont. These too show a growth greater than our Maritime Provinces rich in fisheries and undeveloped mines.

Compare Free Trade New South Wales with Canada. She has an area of three hundred thousand square miles, we have over three million square miles. Her population in 1881 was only 751,468; in 1888 it was 1,085,740, and at same rate of increase their present population 1,230,429, or an increase of 478,961 in ten years, or more than all Canada in the same time. They have increased 60 per cent., we only 11.66. In 1874 our exports were \$89,800,000; in 1882, \$102,000,000; in 1890, \$96,749,149; in 1874 our imports were \$128,000,000; in 1882, \$119,000,000; in 1890, \$112,765,584. Our foreign trade is not greater than it was seventeen years ago. But little New South Wales with one-fourth our population in 1888 exported \$104,000,000 and imported \$104,000,000. She has \$75,000,000 invested in manufacturing enterprises and employs 45,500 hands therein. Will the Ministers who have used the scrap book to show the increase of our deposits please note that the deposits in the public chartered banks of this Australasian colony were in 1888 \$148,000,000 as against our \$128,000,000, *i. e.*, in proportion to population they have five times as much on deposit as we have. They have in addition Post Office Savings Banks and other savings institutions as we have.

That there is something wrong is evident to every man who travels, to every one who knows the depreciation of property, not only in the rural sections but in nearly every town and village in the country. Our commercial failures were much larger during the decade than those in the neighboring Republic in proportion to population. It is not a matter of politics. It is a business question that business men and all classes are putting every day. What is the matter and what is the remedy? It is no answer to the farmer on the magnificent lands of Western Ontario to tell him that they do not prosper tilling the rocks of Maine, or the hills of Vermont. Nor does it help to repeat that Kansas has had several bad crops, and that when they have a good one the railways take all the profit away by excessive freight charges. That may be true enough, but what he wants to know is why, with magnificent land, low freights and a trained and intelligent farming community, his property is depreciating and farming does not pay. It will not do to tell him that deposits are increasing. He knows that certain people accumulate wealth in all

countries—that money grows upon itself—that Ireland has double the amount on deposit that we have, as has the one city of Boston.* He knows, too, that money goes into savings banks and accumulates there often the faster because there is no means of employing it to advantage in business. All the moneys in savings banks in this country are taken in for the purpose of being loaned out again. The borrowing capacity has kept pace with the deposits and added millions have had to be imported year by year by our savings societies to supply the demand.

From 1860 to 1875 the country was prosperous. The producer got large prices for all he had to sell, and under a 15 per cent. tariff he bought cheaply. His neighbor in the United States sold at high prices too—prices made abnormally high by the war and the inflation that followed—but he did not save money as the Canadian did because the purchasing power of his money was less. He paid enormous prices for what he had to buy and the result left him nothing. The position in 1891 has become reversed. The American farmer has the advantage of better prices in the home market and an equal chance in the foreign, and he is buying cheaper the manufactured goods he requires. All business is carried on for the profit there is in it. The price he gets for what he sells and the cost of what he has to buy determines the question whether the producer has any surplus left to accumulate or with which to pay what he owes. The price of practically everything produced in Canada is fixed by a foreign demand. No Government can give the farmer a cent a bushel more for his grain or a fraction of a cent more per pound for his cattle or cheese, save by facilitating its transportation to the market which fixes its value. They can and do depreciate the purchasing power of what he sells by making him pay a higher price for the goods he purchases in exchange. Sometimes the Government get that higher price in the shape of duty on imported goods. In others they force him to pay it to the protected manufacturer by preventing him from buying in the cheaper market through prohibitory duties. The value of our cattle, cheese and wheat, is fixed at Liverpool. The value of our barley, hay, beans, horses, poultry and eggs, is fixed in the United States, as is the value of our sawn lumber, our fish, and many other commodities. Whatever we have a surplus of—is of the value fixed by an export demand. Our corn and hogs are governed by a local demand because we do not and cannot profitably produce enough to supply our own market. The cheaper the freight to Great Britain or the United States the more the buyer there can afford to pay and does pay our producer for his goods. Every shilling taken off the freight upon cattle to England brings the

* The deposits on October 4th, 1888, in the National Banks
of the United States were.....\$1,406,455,323
In State Banks, Savings Societies, etc.....2,127,001,348

Even here the comparison is greatly to our disadvantage. \$3,533,456,671

Canadian farmer nearer that market and makes his farm more valuable. All peoples admit this principle as applicable to freight, and no country has been more lavish than ours in endeavoring to provide means of access to and from our markets by rail and water.

But what difference does it make what you call the obstruction between the producer and the market where the value of his goods is fixed or the obstruction he meets with in bringing back the goods he has bought in that market? Of what avail that bridges and tunnels have cheapened transportation between us and our neighbors if it costs twenty freights in the shape of duty still to cross these streams? The Western farmer is handicapped by heavier freights on his wheat and cattle for the British market, but he has the advantage of larger farms than ours, obtained for very little. In the Southwest he can and does raise in immense quantities and very cheaply corn to feed his cattle.

Experience has taught our Ontario farmers, as it is teaching those of Manitoba and the Northwest, not to depend too much upon wheat. It has not until the present season been a very profitable crop for many years. If Great Britain is to be our only market, so far, at least, all the evidence is that we must confine ourselves to wheat, cattle and cheese. Wheat and cattle are just the things in which there is the most competition, because these, with corn, are the great staples of the boundless West.

No doubt if Western Ontario was turned into several immense ranches they would be highly successful as to climate and natural conditions, but it would be at the expense of population and the ruin of the Province. The raising of cattle requires few hands. One man can care for several hundred acres with comparatively little help. The reduction of population in many of the counties is largely owing now to this cause. In nearly every township there are a few well to do farmers who buy up the cattle of those who cannot hold them to full maturity and finish them for the market on large and ever enlarging farms. These men are, as a rule, making money. The cheese factory will always be a profitable adjunct to the Canadian farm, and as to this we are independent of the American market. But the farmer of Ontario cannot turn his land into ranches, neither can he depend upon wheat nor upon these two combined. Mixed farming is his hope, and the more he can confine himself to products other than these staples as a rule the better will be his profit. No crop has paid better in Canada than barley in days gone by. None would pay better now had we the American market. But the profit is in the 30 cents a bushel which our farmer has to pay in addition to freight to get his grain to Oswego. Political economists agree that as a rule the consumer pays the duty, but that there are exceptions to the rule is evident. That the American farmer is getting 30 cents a bushel more for his barley of the same grade is clearly to be seen by reading the market reports every day. The price is governed by the supply at Oswego or Buffalo.

Now whoever wants to send barley to the Oswego or Buffalo market has to pay whatever is necessary to get his grain there before he can get the price of that market. If that is freight well and good, but if it is freight and duty then he has to pay these both, and it does not add a whit to the value of his barley that it has cost him that much more to deliver it.

Mr. Carling in speaking at Newmarket said that the Americans produce now all the barley they require and they did not need ours. On the same day that his speech was reported in the *Empire* newspaper the market reports of that journal showed that 138,000 bushels of Canadian barley were delivered the previous day at Oswego. These reports show every day that the two-rowed barley for the British market is worth 30 cents a bushel less than the six rowed is worth in Buffalo. Our farmers must cease to raise barley, except for home consumption, or else raise what is at best an uncertain crop, the two-rowed variety, at a much smaller profit for the British market.

Mr. Carling is right. The Americans can raise all the barley they require, but does he not see that they would not raise it if the Canadian were allowed to bring in his grain free. Ontario is peculiarly well adapted for its production and would always have the advantage with a free market. We could raise and sell at a good profit when lands not as suited could not produce in competition. But if we are to raise less barley because we cannot raise at a profit under present conditions, why not raise more horses?

Great Britain only imports 20,000 horses all told a year, while we sent before the McKinley Bill 18,000 to 20,000 a year to the United States. The States can produce all the horses they require themselves, but if Canada could compete in the New York market on even terms she would have the advantage of freight over the Western States, and could and would largely supply the demand at a good profit to herself. The New York buyer does not go to Iowa or Illinois for what he can buy as well in Ontario. He as a business man does not care where the horse is raised. It is worth so much to him in New York. The freight from Michigan or Kansas and the added expense of the buyer is taken off the price paid by him for horses purchased in these States. The Michigan man gets more for his horse because the freight is less than from Kansas, but both have now a great advantage over the Canadian farmer, who has to pay more to get one horse to New York with his \$30 a head duty than it would cost the Kansas man to take three.*

The profit to the Canadian is all gone in that \$30 a head ad-

* We sent to Great Britain in the first ten months of this year 904 horses but brought from there 1,217. We have always bought more horses from them than we have sold to them. Their small demand is supplied now by Holland, Denmark, Belgium, Germany and France, and they export more in value than they import.

ditional cost to him. He must cease raising horses for the American market and he has no other. If he fully supplied the English market with all they imported it would not be his average sale to the United States, even when we had a duty of 20 per cent. to contend with. So the 5 cents a dozen on eggs, the 40 cents a bushel on beans, the \$4 a ton on hay, the 5 cents a pound on poultry, under the McKinley Bill, are such as in ordinary seasons to preclude the shipment of these articles to the United States at a profit. The farmers of Canada know without argument of mine the effect of the duty of 25 cents a bushel on potatoes, 12 cents a pound on wool and 75 cents a head on lambs. The profit is in this additional cost of delivering and there is no object in raising to sell without a profit. The Americans can raise all of these things that they require, but with a free market Canada would as to them have such an advantage over the Western States that she could find a ready sale at good prices for all she could supply. No one disputes that they can produce all the eggs they require, but every one knows that under a free market as to eggs, our exports increased year by year, and at a price that gave a good profit, while since the imposition of the duty of 5 cents our trade has fallen off rapidly.

The Hon. Minister of Finance seems to think that it is a matter for congratulation that we are being forced out of the American market, and that our exports to Great Britain are now increasing while those to the United States are declining.

Mr. Bowell a year ago showed that taking the previous ten years together our trade with the United States had increased an average of 11 millions, while that with Great Britain had increased only an average of 3 millions a year. Assume them both to be correct, does it not prove (1) that the American is the better and more profitable market, and that in spite of a moderate tariff our people preferred it to the free market of Great Britain, and (2) that the McKinley Bill is practically prohibitory, and that we can not now supply them with profit.

We have our cheese market, but you cannot run a farm with Milch cows only, nor can you confine yourself to the uncertain results of wheat, or to cattle raising for the reasons already given.

Mixed farming is a necessity for us. Mixed farming demands as an absolute essential to its successful operation an open American market.

If we cannot get that market farming cannot be made to pay by the average toiler, and our rural population will continue to diminish. The holdings will increase as the population decreases, and the country assume more and more the character of a cattle ranche. So is the farmer handicapped in selling the product of his labor.

Now a dollar saved on the price of what you must buy, is quite as good a dollar as if obtained by being added to the price of what you sell. When the collapse in prices came in 1875, continuing through 1876-7 and 8, our farmers somewhat spoiled by the large

profits of previous years, were ready for any remedy. Too impatient to let matters right themselves, as they would speedily have done here as elsewhere, they were tempted to adopt a policy that they were told and were led to believe meant better prices for what they had to sell.

They were told that they were to have a "home market," and that the near market was better than any foreign one could be. But the home market was a myth. The Ministers are now busy pointing across the sea to foreign shores as our only hope. Mr. Adam Brown tried Jamaica, but has retired in disgust from the worry of it all. The producer did not get his price, the promised home market. The values of his products are fixed by a foreign demand just as much now as they were in 1878. But he paid his price. It was a condition of giving him this home market that he should pay more for what he bought. The duty on manufactured goods was increased from 17½ per cent. to anything that the manufacturer demanded. By that increase the purchasing value of every dollar was depreciated. It was precisely the same in effect as if, to remedy the era of low prices for Canadian produce, a further reduction had been made by legal enactment. The farmer got the very opposite of what he wanted. If the Government could not by enactment give him more for what he had to sell, what irony of fate it was that gave him as a relief the privilege of paying more for what he bought. That was Canada's one gigantic, almost irreparable, blunder. If the Loyalist then had been loyal to Great Britain or her traditions he could not have fallen into this error. If he had stopped to enquire into the effect of industrial depression in these years in Free Trade England and Highly Protected United States he would have seen that it was much more severely felt in the United States than in Great Britain.

Prof. Fawcett says: "Throughout the continuance of this depression there has been an almost continuous decline of pauperism in England. Her people purchased an increased quantity of articles of general consumption and the traffic returns of her railways were maintained. On the contrary, there was unspeakable distress among the working classes of America; pauperism increased from 43,000 in 1873 to 148,000 in 1876 in Massachusetts. The railways of America had disastrous losses; in 1876 and 1877 no fewer than 84 were sold under foreclosure. Many skilled mechanics returned to England."

But we chose the American plan, which had been forced upon them of necessity in the first instance because of the war. No one is foolish enough now to say that it is better for the producing classes of this country to have the tariff on manufactured goods 35 instead of 17½ per cent. The increase is now justified upon the ground that it is required for revenue. But the Custom's authorities do not collect half the taxes being paid owing to high tariff. Wherever "Protection" accomplishes its purpose there are no imports or

duties paid, but the full "benefits" of the tariff are taken by the sugar or cotton or other combines, in the shape of additional price paid to them. The poor producer, under conditions that we have tried to point out, is hunting the world over for a profitable market, while the Government compels him to pay more than tithes of his produce to the monopolies, the system of "Protection" of necessity creates.

What has been the result of it all? Our manufacturers are not as a class making much money. Tall chimneys that give no smoke are common. The whole system is illegitimate, and the only way to make the factory profitable with our limited market is through the combine. We have an effort now to practically control the manufacture of agricultural implements by one huge concern.

The Dominion Cotton Co. seeks to control all the mills in that trade. The manufacture of illuminating oil is a losing business, unless in seasons when a combination is in operation. So it is all along the line. But the producer handicapped in his selling, cannot afford to pay combine prices for his goods.

How can the manufacturer be enabled to produce and sell more cheaply? There is only one way and that is by extending his market. How is it that we imported last year from the United States nearly 24 million dollars worth of manufactured goods? How is it that the condition of things existing during the American War has been completely reversed, and now in 1891 the American farmer gets better prices for what he sells (having the two markets, Great Britain and his own) but buys his manufactured goods cheaper? How is it that notwithstanding our tariff wall, ranging from 15 to 100 per cent., we import so largely manufactured goods from the most highly protected country in the world? Simply because they produce these goods cheaper than we do, and so much cheaper than we can afford to do, that we prefer to buy and pay duty rather than produce ourselves. But why can they and do they produce more cheaply than we? Because they have free trade of a continent.

There is no tariff wall between the several States. They have a population now of 62,000,000, growing at the rate of 1,500,000 a year. The wages of Montreal and Quebec are lower than those of Boston or New York. The French Canadian operatives get one-third more wages at Biddeford, Fall River and Lynn, than they get at home, but in this age it is impossible to manufacture for a limited scattered market such as ours in competition with a nation having an enormous market in itself, growing every three years as much as our total population. They specialize—make great quantities of one thing in great factories and sell again in large quantities on short terms of credit. We necessarily make a little of everything of its class in each factory at a great increase of cost and then distribute at great expense of sale in small quantities over an immense area on the best terms of sale we can make. Just as the country store has to keep all classes of goods because not enough of any one class could

be sold in the neighborhood to justify stores for the purpose, so our manufacturers must in their limited market make many lines, though at increased cost of production. No manufacturer in Canada could afford to make a single line of boots or shoes or even confine himself to a few lines. If his traveller goes out he must have a full assortment or the volume of business would not pay the expense of selling. But if he could go to New York, Chicago, and a dozen other large cities with a few special lines of shoes, if they were suitable and desirable—if he had in fact proved himself to be competent in his business—the market would take all he could supply. And it is only to be mentioned that he could afford to supply them for much less than if he was making one, two or three hundred lines, and selling through a dozen travelers scattered from the Atlantic to the Pacific.

So that after 13 years experience of the N. P. we have not although we have doubled the height of the wall, stopped the flood of American manufactured goods, but on the contrary it is greater than in the years of alleged "slaughter"—1877-8. We are less able to compete with our neighbors now with 35 per cent. protection than we were then with 17½ per cent. And the trouble is that we are not growing more able to compete but less. Their increase of population is thirty times ours. The larger the market the cheaper the production of manufactured goods becomes.

Some people advocate a gradual reduction of the duties in the belief that our manufacturers could now afford this. It would simply mean slow torture in the vast majority of instances. Do you know a manufacturer who is prepared to have a reduction of duties unless you can give him the American market? In a large number of cases to-day I am told that in spite of tariffs of 30 to 100 per cent. in their favor the only advantage in buying goods here rather than import them, is the difference in favor of the local manufacturer in the freight.

If the N. P. is to be our continuous policy it must be upon the plan of a gradual increase of the tariff. Time does not increase our strength in this case but enfeebls.

No one knows better than do the members of the present Government that a gradual reduction of the duties is the last thing the N. P. manufacturers are prepared for, but they know well that on the contrary they are importuning for additional aid at all times. The same market that is a necessity to our farmer, our lumberman, our fisherman, the market that would open our mines,* is the one thing that our legitimate manufacturers want also. Without it natural advantages, cheaper labor and capital are unavailing. Only when fostered by a "combine" and Government protection can it exist.

* The production of minerals in the United States in the year 1887 was \$538,000,000. in 1888 \$591,000,000. Their annual increase is many times our whole production.

The Lachine Rapids offer the best of water power, French Canada the cheapest and best of labor, and capital only awaits the opportunity to use these advantages. Our "opportunity" is to get into the trade of this continent if we can. It is more important to us than all others. If our manufacturer could not compete it would be because he was less capable or had not as great natural advantages. He is not less capable, and as Sir Leonard Tilley said in 1878 he has a country peculiarly adapted to successful manufacturing.

Massachusetts has no coal or iron or timber. She is not as easy of access to the great western markets she supplies as Montreal or Quebec. How is it then that the French Canadians go there in constant streams to build up her factory towns and cities? Simply because the market she supplies is not open to the manufacturer of Quebec. If it were, the goods would be made where the labor will always be a little cheaper, and where all other facilities are quite as good if not better.

The manufacturers of Ontario now have to compete with the cheapest white labor on the continent, that of Quebec.

We now feel the full force of this competition pent up in the narrow limit to which its industries are confined. With the enlarged market the wages of Quebec would (while no doubt remaining slightly lower than elsewhere) become much higher than now and nearer the general level. The lovely character of our Ontario towns—the beautiful country—the bountiful supply of farm produce—the healthy climate—would naturally and inevitably tend to build up factories in our midst also.

The Welland Canal ought to be, and will some time be, lined with mills and shops. Free Trade with all the rest of the world would not give us access to the American market. Free Trade with the United States is more to us than Free Trade with all the world with that market closed. If our farmers still wanted to send wheat or cattle to England they could do so. It would be as open to them then as now. They would have two strings to their bow instead of one, and the shorter would undoubtedly be the more valuable.

Ohio, on the south of the Lake, is no more intimately connected by natural trade relations with the States around it than are the Provinces of our Dominion with the States about them. Imagine Ohio unable to trade with the other States of the Union save at a cost of thirty per cent of the gross amount of trade. The State would be depopulated; people would leave it in disgust and it would become, despite of its great natural advantages, stagnate and comparatively poor. With all our advantages we cannot isolate ourselves from trade with people with whom, by every evidence of nature, it was intended that we should trade freely. British Columbia coal will go to San Francisco because it can't go anywhere else. Nova Scotia coal ought to go to Boston, as that of Lethbridge, North-west Territories, goes to Montana. So much better is

that market that we do a trade of nearly \$250,000 a day with them, notwithstanding the obstructions. Shall we do it freely and so in increased volume and with greater profit, or must it continue to decrease in quantity and become still less profitable? If there is any one thing certain it would seem to be that we cannot get reciprocity limited to natural products only; if we could it would only be a partial benefit. It would help our producers immensely, but it would not enable them to buy manufactured goods much cheaper, and would not add to our manufacturers market save as it would be added to by the benefit done the producer.

The thirteen Eastern States surrounding us all manufacture largely in excess of their consumption of manufactured goods. The great agricultural States of the West find in them their best market for large quantities of their produce and in exchange take the product of the factory and mill. In Canada, after all our efforts, import over \$60,000,000 worth a year of manufactured goods and export less than \$4,000,000 worth. The same reason that has made Massachusetts grow 450,000 in ten years as against Quebec's 130,000 is the answer. Massachusetts has the market; we have not. But it is said they have all the factories they want, there would be no room for ours. Not so. They have to build new or add to old factories every three years to an extent equal to our whole manufacturing plant. There is plenty of room and will be more. British capital following the flag would seek Canadian towns and cities, rather than as now go in constant millions into the various States.

Germany, Austria and Italy can enter into a commercial alliance without anyone dreaming that they are thereby losing their political independence. Perhaps we cannot get unrestricted reciprocity, but we can try. There cannot be an acceptance without a proposal. It is meet and proper that the offer in this case should come from the smaller nation. It is not a matter of vital importance to them. It is I think to us. In private life it would be absurd not to seek so good a business customer. Freedom of trade helps everybody. It will help the United States, but would aid us much more than them. The time is fortuitous. The Democrats of Ohio unanimously declared in favor of unrestricted reciprocity with us without any protest from the party generally.

"Reciprocity" is in the air. It is Mr. Blaine's hobby.

See these three telegrams clipped from one issue.

NEW YORK, Dec. 14.—A Washington dispatch to the Tribune says: It is understood the reciprocity negotiations with the sugar-producing colonies of Great Britain in the West Indies, authorized by section 3 of the McKinley Bill, have reached a satisfactory conclusion in every case except that of Jamaica. The conventions agreed upon to involve Trinidad and the Barbadoes, together with those of Demarara, in British Guiana. In case of Jamaica, it is believed the only difficulty is presented by the amount of revenue which that colony is asked to relinquish.

BERLIN, Dec. 14.—Germany will open negotiations for a commercial treaty with the Netherlands in January.

LONDON, Dec. 14.—A dispatch to the *Times* from Vienna says negotiations are in progress with Spain looking to her joining the Zollverein in January.

The free trader who objects because their protection is higher than ours has only to go to Windsor and Detroit to see that a lower tariff in a small country means greater cost to the consumer than a much higher tariff in a very large and growing community. With the exception of woollens, silks and other imported luxuries, he will find that manufactured articles are much cheaper in Detroit than in Windsor, and that the smuggling is ten-fold greater from Detroit than to it. In fact the trade returns ought to convince him that we do not import \$24,000,000 worth of manufactured goods from a country where they are dearer and in addition pay the duty and freight.

It is objected that we could not have reciprocity because we could not raise a revenue. It is possible that temporarily we would have to adopt some other system in addition to the collection of duty on goods imported from countries other than the United States. But suppose we had. What harm would that do? We could hardly adopt a more wasteful or unsatisfactory system than the present. *But the first way to provide a revenue is to make people prosperous.* If unrestricted reciprocity would mean expansion of trade, increase of population, the rapid filling up of our North-west, then it would provide a revenue. If our conditions of growth in wealth and purchasing power were as great as that of our neighbors we could do just what they are doing. Out of the moneys received by way of duty on imports from foreign countries they have not only been able to pay their way but have, in fifteen years, paid off two-thirds of their great war debt. The money required for Government has to be paid any way, and the manner of paying it is not half so important as the ability to pay without hardship. The solution we want is found by increasing the prosperity and wealth of our people.

It is not pleasant in sentiment to enter into a bargain which seems to be to the disadvantage of the mother country, but, if it is vital to our prosperity to make that bargain, Canada's interest must and should prevail. But is not the disadvantage only seeming? England's export trade is some £300,000,000; of this she sends us £8,000,000.

She sent to the United States in 1885.....	£31,000,000
1886.....	37,000,000
1887.....	40,000,000
1888.....	41,000,000

That is to say her increased trade with that country in three years exceeded her whole trade with us by £2,000,000.

She sends to India.....	£31,000,000
To Australasia.....	23,000,000

To Germany.....	£18,000,000
To France	14,000,000
To the Argentine Republic.....	10,000,000

If we are right as to the results that would follow reciprocity it would benefit Great Britain. Very soon our increased wealth and purchasing power would make us much better customers than we are now. We have a sample of the benefit of unrestricted trade in our great railways.

How would the number of employees of the Grand Trunk, Canada Pacific, and Michigan Central be thinned out if they had not reciprocity in their particular line of business? How they each reach out for and seek connections with the great American lines west at Chicago and by way of the Sault. And how all important to them all is the connection of the eastern American seaboard. There is no reciprocity of trade on lake or river and as a consequence our proportion of the trade there is less each year. The Americans are building 110,000 tons of new shipping a year to our petty 3,000 tons. So great has their traffic become that their present water-ways are insufficient, and they are seeking a new and better outlet to the sea. What so natural an outlet as our St. Lawrence? No other can be made so inexpensively to serve the purpose, and none would serve it so well when completed. What would aid the choice of that route so much as "Unrestricted Reciprocity?" These two peoples are bound to be neighbors, and should be friends. In spite of jingoism, Canadian and American, they are most closely allied. Where are half the boys of our towns and cities, and the tens of thousands from the country districts? They are in every city in the United States, east and west. I met them by the score in far off Oregon and California a year ago. They are all in the front ranks of every profession and calling wherever they go. They have not forgotten Canada or lost their love for the land of their birth. They were expatriated by the dire necessity of seeking employment elsewhere. I believe that the interests of the country would be best conserved by keeping our young men here. They can't stay unless they get something to do. Is it not much more loyal to provide a market for our people at home than force them to go to the market now denied them?

Reciprocity would give us:

1. Better markets for everybody.
2. Cheaper manufactured goods for our consumers.
3. Development of our mines.
4. Revival of our lake shipping.

How can political union be prevented so well as by bringing these results about? How can fealty to ones country be so well shown? It would be the precursor of free trade with Great Britain and the English speaking world at least, and is our easiest and most practical course to that end. To those who are content with our present condition I cannot appeal, but to those of every class and

party who are convinced that there is something radically wrong with our trade relations I submit with confidence these views. Join with us. Give Canada a chance to get into the life of this continent and she will abundantly justify your faith by not only holding her own but by becoming the most prosperous part of America, as she is now the most to be envied in other respects. We will preserve our nationality, we will keep our young people at home, we will grow and prosper. Without that trade we are not keeping our people, we are stagnant in growth and business is poor. The reasons that have brought about this condition continue to operate.

If we delay the remedy much longer no one can tell how long even our nationality will be maintained. Continued commercial depression made an annexationist of the present head of the government, Mr. Abbott, years ago. *Like causes produce like results.* The true patriot will seek to remove the cause. It is certain the N. P. has to go. If we can give the protected manufacturer the American market in exchange he has no ground to complain, and it will mean renewed life and vigor to the country at large. The producer has to be relieved in any case, and if we cannot get unrestricted reciprocity with the United States, the sooner we adopt the general principles of Free Trade the better. But one thing at a time. It is the bounden duty of all who agree as to the benefits of unrestricted reciprocity to see that an offer is made as soon as possible on fair terms. The alternative policy we may not agree upon, but it will be time enough to discuss what that is to be when the first and best remedy has failed.

The present issue is a plain one. The pretence of seeking reciprocity by people pledged to the maintenance of the N. P. is a pretence merely. They have no faith in accomplishing anything, and are only using reciprocity as a blind. The strength and growth of public opinion is best shown by the forced advocacy of some "reciprocity" by its greatest enemies. Yet at every public meeting they show involuntarily their opposition to what they profess to seek by holding up the American market as one not to be desired, and by jingo appeals devoid of any reason.

Mr. Chapleau says that "unrestricted reciprocity" is dead. It will never die. The desire for trade with our neighbors will grow, and Mr. Chapleau and his friends can no more stem that tide than they can prevent the waters of Detroit River commingling without regard to national boundaries.

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